CITY OF LODI
COUNCIL COMMUNICATION

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AGENDA TITLE: Adopt Resolution Amending the Memorandum of Understanding with the Lodi Police Mid-Management Organization for the Period July 1, 2007 to September 30, 2011

MEETING DATE: July 2, 2008

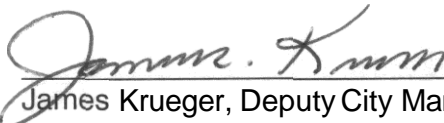**PREPARED BY:** Dean Gualco, Human Resources Manager

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RECOMMENDED ACTION: Adopt resolution amending the Memorandum of Understanding with the Lodi Police Mid-Management Organization Performance Incentive Bonus program.

BACKGROUND INFORMATION: The California Public Employees' Retirement System (CalPERS) Compensation Review Unit reviewed compensation reported by the City of Lodi. CALPers determined that Article VI of the Lodi Police Mid-Management Organization Memorandum of Understanding (MOU) does not meet the criteria for the bonus to continue to be tracked as salary for purposes of calculating retirement benefits, as outlined in the California Code of Regulations (CCR) Section 571 9a)(1).
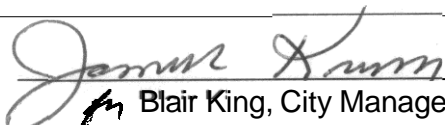
CALPERS permits the Lodi City Council to declare by adoption of a resolution changing the Employee Incentive program to a Compensation/Loyalty Incentive program. This will maintain compliance under California Code of Regulations (CCR) Section 571 9a)(1) for the purpose of retirement calculations. Adoption of such a resolution is deemed necessary to secure accurate figures upon retirement for those employees represented under the Lodi Police Mid-Management Organization.

FISCAL IMPACT: Adoption of this Resolution allows the City to continue an existing employee incentive program to be counted towards retirement benefit calculations. There is no additional fiscal impact.

FUNDING AVAILABLE: Compensation/Loyalty Incentive program funding was approved in the 2008-2009 Police Department budget.

James Krueger, Deputy City Manager

APPROVED: Blair King, City Manager

RESOLUTION NO. 2008-126

A RESOLUTION OF THE LODI CITY COUNCIL
AMENDING THE MEMORANDUM OF UNDERSTANDING
WITH THE LODI POLICE MID-MANAGEMENT
ORGANIZATION
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NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby amends the Memorandum of Understanding with the Police Mid-Management Organization (attached hereto as Exhibit A), Performance Incentive program to the Additional Compensation/Loyalty Incentive program.

Dated: July 2, 2008
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I hereby certify that Resolution No. 2008-126 was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 2, 2008, by the following vote:

        AYES: COUNCIL MEMBERS – Hansen, Johnson, Katzakian, and
                                Mayor Mounce

        NOES: COUNCIL MEMBERS – None

        ABSENT: COUNCIL MEMBERS – Hitchcock

        ABSTAIN: COUNCIL MEMBERS – None

RANDI JOHL
City Clerk

2008-126

LETTER OF AGREEMENT
BETWEEN
CITY OF LODI AND LODI POLICE MID-MANAGEMENT
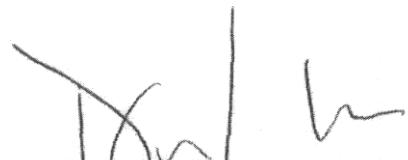
This agreement is to amend Article **XIV, Performance** Incentive Bonus as follows:

<u>Additional Compensation/Loyalty Program</u>

After completing ten years of service with the Lodi Police Department, covered employees shall receive an annual loyalty compensation amount of $1,500 on November 1st after they complete ~~following completion of~~ ten years of service and each year hereafter until completing twenty years of service with the Lodi Police Department. For example: If an employee completes 10 years of service on October 30, 2008, they would receive the loyalty compensation in November of that same year. By contrast, if an employee completes ten years of service on November 1, 2008, they would receive the loyalty compensation in November of the following year. Employees who have completed twenty years of service with the Lodi Police Department will receive an annual loyalty compensation amount of $3,000 on November 1st after they complete ~~following completion~~ twenty full years of service and each year thereafter.

~~For the purposes of this article, all employees, who as of October 31st, meet the service level requirements (either ten full years or twenty full years from the first day of the month in which they started their employment with the City of Lodi Fire Department) shall receive the loyalty compensation associated with their years of service with the Lodi Fire Department.~~

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Lance Hayden, Police Mid-Management

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Dean Gualco, HR Manager

Date: _5- 6 -08_

Date: _5.28.08_